

**S.E.C. RULE 15c2-12
ANNUAL REPORT
FISCAL YEAR ENDED JUNE 30, 2006**

The State of California (the "State") hereby provides its annual report for the fiscal year ended June 30, 2006 in connection with the following:

Bond Issues

State of California General Obligation Bonds as listed on the attached Exhibit 1 (the "Bonds"). Also listed on Exhibit 1 is the date of each Continuing Disclosure Certificate (collectively the "Disclosure Certificates") executed and delivered by the State in connection with each issue of the Bonds and the dated dates for each such issue.

Note: The base CUSIP numbers provided in Exhibit 1 are for the convenience of bondholders. The State is not responsible for the accuracy or completeness of such numbers.

Annual Report

The State's "annual report" (as defined in the Continuing Disclosure Certificates for the Bonds) for the fiscal year ended June 30, 2006 consists of:

1. The Audited Basic Financial Statements of the State for fiscal year ended June 30, 2006, which is incorporated herein attached as Exhibit 2.
2. The financial information is contained in Appendix A, which is incorporated herein attached as Exhibit 3. The Appendix A as attached is an appendix to the Preliminary Official Statement, dated March 21, 2007, with respect to State of California General Obligation Refunding Bonds.

Other Matters

This annual report is provided solely for purposes of the Continuing Disclosure Certificates. The filing of this report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the State or the Bonds, or (iii) that no changes, circumstances or events have occurred since the

end of the fiscal year to which this report relates (other than as referred to in this report), or that no other information exists, which may have a bearing on the State's financial condition, the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. The information contained in this report has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this annual report should be construed as a prediction or representation about future financial performance of the State.

The information provided herein may relate to bonds or other obligations of the State in addition to the ones listed on the attached Exhibit 1.

Dated: March 30, 2007

State of California

Original signed by Lai Louie
Deputy State Treasurer
For State Treasurer, Bill Lockyer

Exhibit 1

Name of Issue	Dated Date	Date of Continuing Disclosure Certificate
\$625,000,000 General Obligation Bonds	2/1/07	2/28/07
\$1,000,000,000 General Obligation Bonds	2/1/07	2/28/07
\$132,180,000 General Obligation Refunding Bonds	2/1/07	2/28/07
\$359,160,000 Veterans General Obligation Bonds	11/21/06	11/21/06
\$650,000,000 General Obligation Bonds	11/1/06	12/6/06
\$422,960,000 General Obligation Refunding Bonds	11/1/06	12/6/06
\$800,000,000 General Obligation Bonds	9/1/06	9/14/06
\$314,135,000 General Obligation Refunding Bonds	6/1/06	6/28/06
\$700,000,000 General Obligation Bonds	6/1/06	6/28/06
\$237,555,000 General Obligation Refunding Bonds	4/1/06	4/26/06
\$300,000,000 General Obligation Bonds	4/1/06	4/26/06
\$800,000,000 General Obligation Bonds	3/1/06	3/9/06
\$500,000,000 General Obligation Bonds	12/1/05	12/21/05
\$518,495,000 General Obligation Refunding Bonds	12/1/05	12/21/05
\$1,000,000,000 General Obligation Bonds	11/17/05	11/17/05
\$500,000,000 General Obligation Bonds	9/1/05	9/21/05
\$646,375,000 General Obligation Refunding Bonds	9/1/05	9/21/05
\$545,310,000 General Obligation Bonds	6/1/05	6/29/05
\$379,825,000 General Obligation Refunding Bonds	6/1/05	6/29/05
\$221,475,000 Veterans General Obligation Bonds	4/1/05	4/28/05
\$763,500,000 General Obligation Refunding Bonds	4/1/05	4/20/05
\$150,000,000 General Obligation Bonds	3/1/05	3/1/05
\$794,105,000 General Obligation Refunding Bonds	3/1/05	3/1/05
\$782,000,000 General Obligation Bonds	12/1/04	12/1/04
\$1,000,000,000 General Obligation Bonds	10/21/04	10/21/04
\$500,000,000 General Obligation Bonds	9/1/04	9/21/04
\$282,400,000 General Obligation Bonds	6/1/04	6/29/04
\$215,295,000 General Obligation Refunding Bonds	6/1/04	6/29/04
\$1,800,000,000 General Obligation Refunding Bonds	4/1/04	4/29/04
\$2,000,000,000 General Obligation Bonds	2/1/04	2/1/04
\$1,800,000,000 General Obligation Bonds	11/1/03	11/1/03
\$1,718,580,000 General Obligation Bonds	7/1/03	7/1/03
\$2,050,000,000 General Obligation Bonds	5/1/03	5/1/03
\$1,400,000,000 General Obligation Bonds	4/15/03	4/1/03
\$900,000,000 General Obligation Bonds	2/1/03	2/20/03
\$800,000,000 General Obligation Bonds	10/1/02	10/22/02
\$800,000,000 General Obligation Bonds	4/1/02	4/24/02
\$1,105,025,000 General Obligation Refunding Bonds	4/1/02	4/2/02

Exhibit 1
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Name of Issue	Dated Date	Date of Continuing Disclosure Certificate
\$1,000,000,000 General Obligation Bonds	2/1/02	2/27/02
\$111,325,000 Veterans General Obligation Bonds	12/1/01	12/6/01
\$1,000,000,000 General Obligation Bonds	11/1/01	11/7/01
\$1,000,000,000 General Obligation Bonds	6/1/01	6/20/01
\$42,000,000 Veterans General Obligation Bonds	6/1/01	6/20/01
\$86,225,000 Veterans General Obligation Bonds	4/1/01	4/26/01
\$600,000,000 General Obligation Bonds	3/1/01	3/13/01
\$354,430,000 General Obligation Refunding Bonds	3/1/01	3/13/01
\$230,400,000 Veterans General Obligation Bonds	12/1/00	12/19/00
\$500,000,000 General Obligation Bonds	12/1/00	12/1/00
\$148,270,000 General Obligation Refunding Bonds	12/1/00	12/1/00
\$850,000,000 General Obligation Bonds	10/1/00	10/1/00
\$116,965,000 General Obligation Refunding Bonds	10/1/00	10/1/00
\$850,000,000 General Obligation Bonds	9/1/00	9/1/00
\$350,000,000 General Obligation Bonds	6/1/00	6/28/00
\$500,000,000 General Obligation Bonds	4/1/00	4/27/00
\$66,500,000 Veterans General Obligation Bonds	3/1/00	4/27/00
\$500,000,000 General Obligation Bonds	3/1/00	3/2/00
\$60,000,000 Veterans General Obligation Bonds	12/1/99	12/29/97
\$500,000,000 General Obligation Bonds	12/1/99	12/1/99
\$500,000,000 General Obligation Bonds	10/1/99	11/1/99
\$400,000,000 General Obligation Bonds	9/1/99	9/28/99
\$400,000,000 General Obligation Bonds	6/1/99	6/17/99
\$300,000,000 General Obligation Bonds	4/1/99	4/29/99
\$351,500,000 Veterans General Obligation Bonds	4/1/99	4/28/99
\$413,460,000 General Obligation Bonds	2/1/99	3/11/99
\$86,540,000 General Obligation Refunding Bonds	2/1/99	3/11/99
\$600,000,000 General Obligation Bonds	12/1/98	4/1/98
\$579,120,000 General Obligation Bonds	10/1/98	10/1/98
\$270,880,000 General Obligation Refunding Bonds	10/1/98	10/1/98
\$600,000,000 General Obligation Bonds	4/1/98	4/1/98
\$105,065,000 Veterans General Obligation Bonds	3/1/98	5/5/98
\$66,600,000 Veterans General Obligation Bonds	3/1/98	3/26/98
\$981,230,000 General Obligation Refunding Bonds	2/1/98	3/5/98
\$1,166,970,000 Veterans General Obligation Bonds	12/1/97	12/29/97
\$1,000,000,000 General Obligation Bonds	10/1/97	10/23/97
\$525,000,000 General Obligation Bonds	3/1/97	4/3/97
\$500,000,000 General Obligation Bonds	11/1/96	11/7/96

Exhibit 1
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Name of Issue	Dated Date	Date of Continuing Disclosure Certificate
\$159,715,000 General Obligation Refunding Bonds	3/1/96	3/19/96
\$380,000,000 General Obligation Bonds	10/1/95	11/7/95

The base CUSIP for all the bonds listed above is 130620-___, 130628-___, 130629-___, & 13062N-___, 13062P-___, 13062R-___, 13062T-___.

Note: The base CUSIP numbers provided are for the convenience of bondholders. The State Treasurer's Office is not responsible for the accuracy or completeness of such numbers.